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8 *Attorneys for plaintiffs*
9 *Debt Registration Center, LLC and*
10 *Vista Capital Management, LLC*

11 **UNITED STATES DISTRICT COURT**

12 **CENTRAL DISTRICT OF CALIFORNIA**

13 DEBT REGISTRATION CENTER,
14 LLC; VISTA CAPITAL
15 MANAGEMENT, LLC,

16 Plaintiffs,

17 vs.

18 VIRTUE LAW GROUP, LLC a
19 NEW JERSEY LIMITED
20 LIABILITY COMPANY;
21 QUANTUM PROCESSING, LLC a
22 DELAWARE LIMITED
23 LIABILITY COMPANY; GABRIEL
24 A. LEVY; BENJAMIN
25 GREENWALD; MENDY RASKIN,

26 Defendants.
27

Case No.: 8:24-cv-01050-FWS-ADS

SECOND AMENDED COMPLAINT
FOR DAMAGES:

1. Negligence
2. Conversion
3. Constructive Fraud
4. Breach of Oral Contract
5. Accounting

DEMAND FOR JURY TRIAL

1 Plaintiffs Debt Registration Center, LLC (“Debt Registration”) and Vista
2 Capital Management, LLC (“Vista Capital”) (collectively hereafter, “Plaintiff”) alleges for its Second Amended Complaint (“SAC”) against defendants Virtue Law
3 Group, LLC (“Virtue Law”) and Quantum Processing, LLC (“Quantum
4 Processing”), Gabriel A. Levy (“Levy”), Benjamin Greenwald (“Greenwald”), and
5 Mendy Raskin (“Raskin”) (collectively hereafter, “Defendants”) as follows:
6

7 **JURISDICTION AND VENUE**

8 1. This Court has jurisdiction pursuant to 28 U.S.C. § 1332. The parties
9 have diversity of citizenship, and the controversy is greater than \$75,000.00.
10 Plaintiffs allege complete diversity among the complete diversity among the LLC’s
11 members as set forth below. *See Johnson v. Columbia Props. Anchorage, LP*, 437
12 F.3d 894, 899 (9th Cir. 2006) (“[A]n LLC is a citizen of every state of which its
13 owners/members are citizens.”); *NewGen, LLC v. Safe Cig, LLC*, 840 F.3d 606, 611
14 (9th Cir. 2016) (“[W]ith respect to a limited liability company, the citizenship of *all*
15 of the members must be pled.”) (emphasis added).

16 2. Venue is proper in this Court pursuant to 28 U.S.C. §1391(b)(2),
17 because a substantial part of the events or omissions giving rise to Plaintiff’s claims
18 occurred in this judicial district. Specifically, for example, Plaintiffs allege that all
19 work was performed in California; Defendants solicited Plaintiffs; Defendants flew
20 to California. *See, e.g.*, Exhibit A incorporated herein and by reference.

21 **PARTIES**

22 **A. Plaintiffs**

23 3. Plaintiff Debt Registration Center, LLC, is a California corporation,
24 headquartered in Placentia, California. Plaintiff Debt Registration, LLC’s only
25 managing members are John C. Fitzmaurice, Jessica C. Dovalina, and Jason D.
26 Dovalina, each of whom are residents of California.
27

1 4. Plaintiff Vista Capital Management, LLC, is a California corporation,
2 headquartered in San Clemente. Plaintiff Vista Capital Management, LLC's only
3 managing member is Trevor Young who resides in California.

4 **B. Defendants**

5 5. Defendant Virtue Law Group, LLC, is incorporated in the State of New
6 Jersey and is headquartered in New York, New York. Defendant Virtue Law Group,
7 LLC's only member is Gabriel A. Levy who resides in New York and is its sole
8 managing member.

9 6. Defendant Quantum Processing, LLC, is incorporated in the State of
10 Delaware. Defendant Quantum Processing, LLC's only members are Benjamin
11 Greenwald and Mendy Raskin, both who reside in New York City, New York.

12 7. Defendant Gabriel A. Levy resides in New York City, New York, and
13 is the only managing member of Virtue Law Group, LLC.

14 8. Defendant Benjamin Greenwald resides in New York City, New York,
15 and is a managing member of Quantum Processing, LLC.

16 9. Defendant Mendy Raskin resides in New York City, New York and is
17 a managing member of Quantum Processing, LLC.

18 **GENERAL ALLEGATIONS**

19 10. This is a case in which the Defendants failed to acknowledge a contract
20 between the parties and breached their duties by failing to pay and now owe
21 Plaintiffs a large sum of money.

22 11. On or about November 7, 2023, Defendants contracted with Plaintiffs
23 to provide leads of potential clients that may wish to purchase Defendants debt
24 resolution program. Defendants engaged the services of Plaintiffs to provide general
25 marketing and lead generation services. Plaintiffs, at all times, possess the expertise
26 and resources necessary to promote the services of Defendants. Plaintiffs performed
27 said duties as requested by Defendants.

1 12. Plaintiffs agreed to provide marketing and lead generation services to
2 the Defendants to assist them and to help attract potential clients in need of debt
3 resolution to the Defendants to perform and contract legal services with potential
4 clients.

5 13. Plaintiffs' services to be provided were limited to identifying potential
6 clients for the Defendants, so Defendants could onboard such clients including the
7 point of executing an agreement to retain the Defendants. Plaintiffs and Defendants
8 initial meeting was in Irvine, California to discuss this venture and collaboration
9 with Defendants. *See* Exhibit A.

10 14. Defendants agreed to pay Plaintiffs a flat marketing fee of \$1,400.00 for
11 each client referred to Defendants and who contract with a qualifying client referred by
12 the Plaintiffs, which payment was due and payable after the client clears their first
13 payment with the Defendants, provided the client's monthly payment is no less than
14 \$375.00. If the client's monthly payment is below \$375.00, but at least \$300.00, the
15 Defendants agree to pay Plaintiffs \$1,200.00 after the client clears their first payment.
16 If the client's monthly payment is at or above \$500.00, the Defendants agree to pay
17 Plaintiffs \$1,600.00 after the client clears their first payment. Payment was to be made
18 each Friday for all payments that cleared the week prior. Defendant Raskin
19 communicated by text message acknowledging the terms and the balance owed to
20 Plaintiffs: "No one is arguing on the current balance I'm talking about the issue with
21 why there is no money." *See* Exhibit B, which is a true and correct copy of the text
22 message received from Defendant Mendy Raskin.

23 15. Plaintiffs further agreed that if any client who cleared their first payment
24 and failed to clear their second or third payment, Defendants were entitled to offset the
25 fee already paid toward such client from a future payment due to Plaintiffs. This was
26 done to ensure clients did not fraudulently clear their first payment to Plaintiffs for their
27 payment when such client had no intention of proceeding with the Defendants' debt

1 resolution program in good faith. This payment offset appeared as a credit on the next
2 payment due to Plaintiffs. In no event were Plaintiffs forced to return money already
3 paid by Defendants, rather the offsets only affected a discount on future payments due
4 from Defendants to Plaintiffs.

5 16. Plaintiffs and Defendants agreed to the terms that a client would be
6 deemed qualifying if the following were verified by Plaintiffs at the time of
7 enrollment: (1) client is not simultaneously enrolled in any other debt relief or credit
8 repair program; (2) client understood that the Defendants are neither a debt
9 settlement nor a credit repair program; (3) client disclosed any prior debt relief or
10 debt settlement program they were enrolled with prior to enrolling with the
11 Defendants, and the same been disclosed in writing to the Defendants; (4) client did
12 not have an active lawsuit related to any of the accounts enrolled with the
13 Defendants; or client is not involved in an active bankruptcy under any chapter of
14 the U.S. Bankruptcy Code, and has not received a discharge from a U.S. Bankruptcy
15 Court within three (3) months of enrolling into Defendants' program.

16 17. Plaintiffs agreed and were obligated to maintain a continuous vigilance
17 over the quality of Plaintiffs' leads. Prior to any delivery of leads, Plaintiffs would
18 meticulously review and determine that the lead slated for delivery to Defendants
19 met the utmost standards and aligned with the mutually established technical
20 prerequisites of both Plaintiffs and Defendants. Plaintiffs' assurance was provided
21 to Defendants in written form and established in reports. The quality benchmark of
22 Plaintiffs' procured accounts, Defendants were entitled to conduct any quality
23 assessment through direct engagement with Plaintiffs' leads. Any of Plaintiffs' leads
24 that fell short of any quality assessment criteria would necessitate replacement or
25 refund to Defendants, irrespective of the clearance of any prior payments to
26 Plaintiffs.

27 18. Plaintiffs and Defendants had agreed to settle any and all existing

1 disputes regarding any and all contracts, agreements, and relationship, formal or
2 informal, that existed at any time between the Defendants and Plaintiffs. Defendants
3 agreed to a partial payment to Plaintiffs in the amount of \$144,650.00. Defendant
4 Raskin wrote to Plaintiffs and stated: “bro stop with the bull shit everything is delayed
5 right now you’ll get paid, everyone knows in this industry this shit happens everyone
6 else understands and is patient...you will be paid.” See Exhibit B, which is a true and
7 correct copy of the confirmatory text message. No pay was ever received from Raskin.

8 19. Based on information and belief, Plaintiffs’ funds were used to purchase
9 investment property real estate in various locations, thus depriving Plaintiffs use of the
10 funds promised to be paid by Defendants.

11 **FIRST CLAIM FOR RELIEF**

12 **(Negligence against Defendants)**

13 20. Plaintiffs repeat and reallege all of the allegations contained in
14 paragraphs 1 through 19 to this SAC as though said allegations were set forth in full.

15 21. At all times mentioned herein, Defendants owed a duty of due care in
16 carrying out their contractual obligations to Plaintiffs pursuant to common law and
17 statute.

18 22. Defendants breached said duties by acting and failing to act as alleged
19 herein and above.

20 23. As a direct and proximate result of the negligence of Defendants,
21 Plaintiffs have suffered damages in an amount not yet ascertained, subject to proof
22 at trial.

23 **SECOND CLAIM FOR RELIEF**

24 **(Conversion against Defendants)**

25 24. Plaintiffs repeat and reallege all of the allegations contained in
26 paragraphs 1 through 23 of this SAC as though said allegations were set forth in full
27 herein.

1 deprive Plaintiffs. By failing to provide Plaintiffs with notice and information,
2 Defendants are concealing from Plaintiffs the material facts regarding its contracted
3 interests and the ongoing mishandling and improper withholding of funds based on
4 Defendants' conduct.

5 33. In addition to the other harm suffered and set forth above, Plaintiffs
6 contend Defendants fail to and have no intention of ever providing Plaintiffs with
7 any payment for the services rendered under the contract.

8 34. Defendants' ongoing failure to pay Plaintiffs are done intentionally to
9 deceive Plaintiffs in order to deprive Plaintiffs of their investments and to avoid
10 having to pay Plaintiffs under the contract. The statutory scheme that guides
11 Defendants does not allow them to withhold contractual information, while making
12 a profit thereon.

13 35. Plaintiffs actually relied upon Defendants to faithfully discharge their
14 statutory duties and to disclose material facts to Plaintiffs regarding the leads
15 generated which resulted in a contract between the lead provided and Defendants.
16 Such reliance by Plaintiffs was justifiable because Defendants previously disclosed
17 and conveyed all contractual information to Plaintiffs.

18 36. As a result of Defendants' non-disclosure and omission, in violation of
19 its contractual duties, Plaintiffs have been injured and damaged.

20 37. Plaintiffs further allege that Defendants' conduct has been committed
21 in callous disregard of Plaintiffs' interests, and with intent to injure and cause harm
22 to Plaintiffs. The facts alleged herein demonstrate that Defendants' conduct was
23 despicable, as defined in Code of Civil Procedure section 3294. Therefore, Plaintiffs
24 are entitled to recover punitive damages in an amount appropriate to punish or to set
25 an example of Defendants.

26 ///

27 ///

FOURTH CLAIM FOR RELIEF

(Breach of Oral Contract against Defendants)

38. Plaintiffs repeat and reallege all of the allegations contained in paragraphs 1 through 37 of this SAC as though said allegations were set forth in full herein.

39. Defendants are bound by the terms of the oral contract to pay Plaintiffs for the marketing referrals.

40. Plaintiffs have fully performed all of their duties and obligations under the oral contract that were not otherwise excused by Defendants breach as above described.

41. Plaintiffs' damages involved from a breach of oral contract and subject to proof at the time of trial, include those arising from the non-payment of the oral contract and performance conformed to that oral contract in all respects.

42. Plaintiffs have performed all conditions, covenants, and promises required on their part to be performed in accordance with the agreement of the terms and conditions.

43. At all times, Defendants have breached the oral contract by failing and refusing to pay the Plaintiffs for the customer/client referrals.

44. Plaintiffs have been damaged according to proof at the time of trial.

45. The above actions described and the continual refusal of Defendants to pay Plaintiffs pursuant to the oral contract continue to damage Plaintiffs.

FIFTH CLAIM FOR RELIEF

(For An Accounting by Defendants)

46. Plaintiffs repeat and reallege all of the allegations contained in paragraphs 1 through 45 of this SAC as though said allegations were set forth in full herein.

47. Defendants never informed Plaintiffs of the true state of its contractual

1 affairs and the status of leads generated, which Defendants are holding in their
2 possession.

3 48. The total amount of Plaintiffs' damages, which include not only the
4 mishandling of the leads contracted, but the mistreatment and arbitrary calculation,
5 and the absence of any calculations of Defendants cannot be ascertained without an
6 accounting for such property.

7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiffs pray for judgment against Defendants, as follows:

9 1. For general and special damages in a sum according to proof at the time
10 of trial,

11 2. For punitive and exemplary damages in an amount appropriate to punish
12 and set an example of Defendants;

13 3. For equitable and injunctive relief as determined by this Court, including
14 but not limited to, imposition of a constructive trust over an accounting of any and
15 all transactions unlawfully entered into by Plaintiffs and the payment of Plaintiffs'
16 contracted leads generated;

17 4. A permanent injunction restraining Defendants from engaging in future
18 unlawful and/or fraudulent transactions, as alleged in this SAC;

19 5. Restitution and disgorgement of ill-gotten gains to the Plaintiffs in the
20 form of an order requiring Defendants to return any payments that they have
21 mishandled or are accumulating.

22 6. For an accounting;

23 7. For constructive trust;

24 8. For such other and further relief as the court deems just and proper.

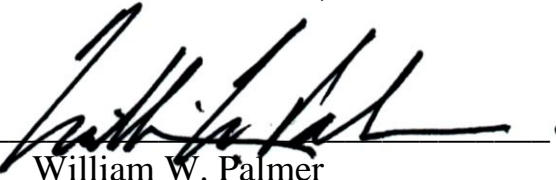
25 ///

26 ///

27 ///

1 Dated January 28, 2025.

Respectfully submitted,
PALMER LAW GROUP, a PLC

2
3
4 By: 
5 William W. Palmer

6 *Attorneys for plaintiffs Debt Registration, LLC*
7 *and Vista Capital Management, LLC*
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DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury.

Dated: January 28, 2025

PALMER LAW GROUP, a PLC

By:


William W. Palmer

*Attorneys for plaintiffs Debt Registration, LLC
and Vista Capital Management, LLC*

PALMER LAW GROUP, a PLC

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CERTIFICATE OF SERVICE

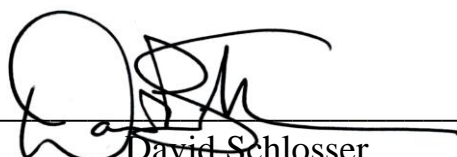
I hereby certify that on January 28, 2025, I caused the foregoing:

• **SECOND AMENDED COMPLAINT FOR DAMAGES**

to be served by CM/ECF on Defendants Virtue Law Group, LLC and Quantum Processing, LLC:

Jason Lowe, Esq.
LAW OFFICES OF JASON LOWE
225 West 106th Street, 8M
New York, New York 10025
Email: jasonflowe@gmail.com

Executed on January 28, 2025, at Sacramento, California.



David Schlosser

Exhibit A

11:23



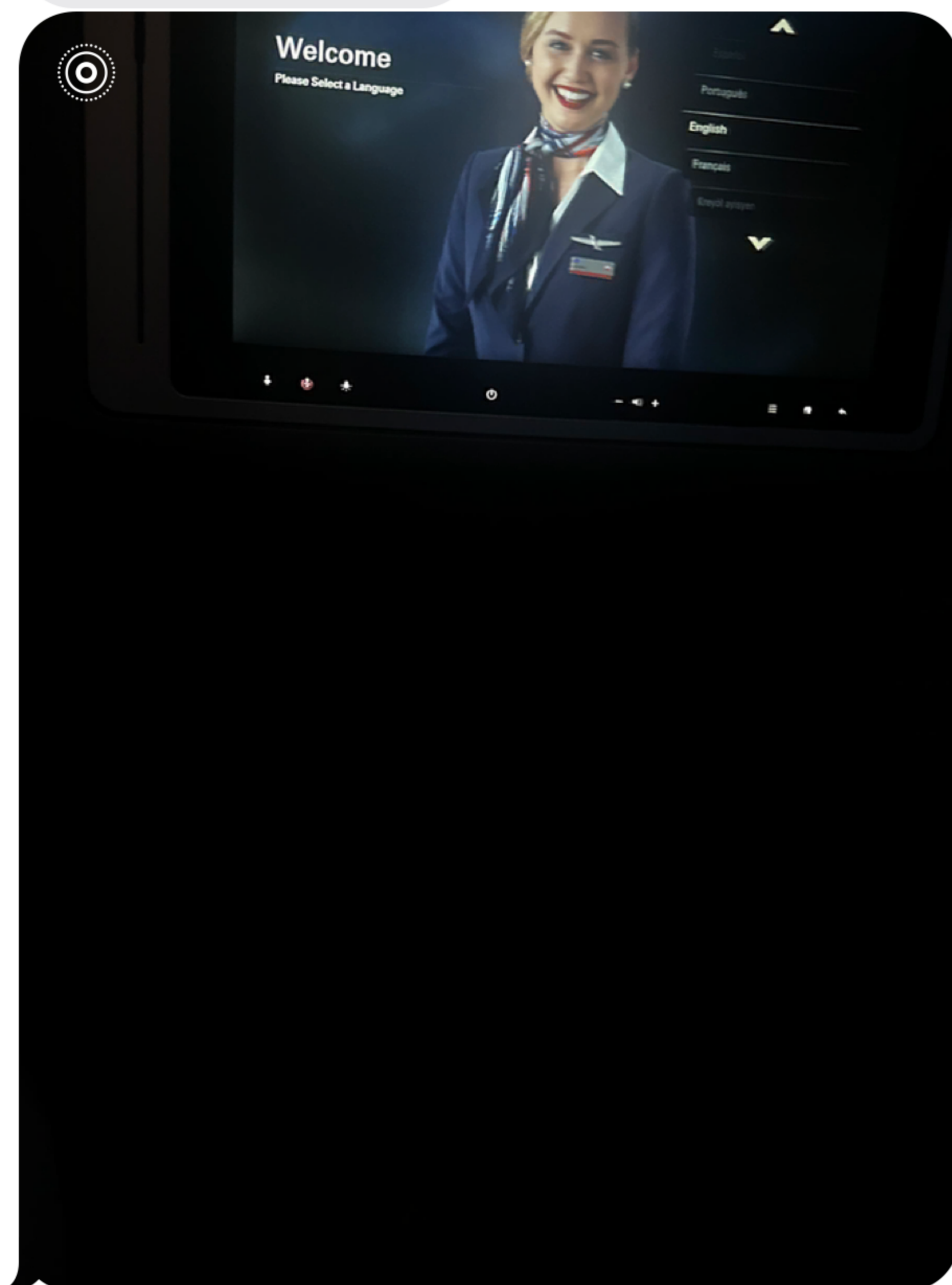
Mendy >



Mon, Mar 4 at 5:06 PM

On the flight my friend

Can you text me



Coming to see you

Oh thought i would catch you before take off!

8pm flight

We processed between Friday and today 450k



iMessage



11:24



Mendy >



And have another 170k

1 Reply

Pending

You will get money

lol I assume that's why you are calling

And have another 170k

Till Friday

ACH company also approved us for 4 banks

So we'll be set on that as well

Nah not even knew i was seeing you this week why i left you alone all day lol

Hahaha

Beat me up tomorrow in person 😂

HA
HA

We do need the money more than we ever have though... almost 500k due this week alone! Need to realize like 350 to get back on track

Yes I know Jason told me



iMessage



11:25



Mendy >



What's the address

To something there I can put in google

Javier's — Irvine
536 Spectrum Center Dr
Irvine, CA 92618

Let me know eta once you plug it in

Hour ish

Prob 1:20 min

In La

My aunt and uncle live in Irvin lol

12:30

Ok reservation is for 1pm at Javier's at
Irvine Spectrum

Perfect

Tue, Mar 5 at 12:58 PM

Here?

Tue, Mar 5 at 3:09 PM

Good to meet you brother

Thank you for lunch

Many more i hope

100% it was a great time



iMessage



<  **Mendy Investors** ▾ ⋮

Monday, March 4

Yep I'll be there tomorrow

10:25 AM

I land tonight

Just figuring out hotel and car and shit

10:26 AM

But we'll be good

10:27 AM

Need to be good for \$\$\$ tomorrow cannot stress



Exhibit B

<  Mendy Investors ▾



I understand
the seriousness
and we'll get you
money this week.

4:02 PM

The second
money comes in
it will go back out

4:05 PM

I will most likely
be able to get you
300k this week
yes



Let's hope as



< M Mendy Investors v



Our balance
is 225k with a
big 260k due
Friday...total of
485k this week

We absolutely
need no less than
350k paid this
week

This is as serious
as it gets we will
be completely out

of business on
Wed.



< M Mendy Investors ▾ ⋮

This is as serious
as it gets we will
be completely out
of business on
Wednesday...

Without money

Please help us
keep this going
for you

3:52 PM

We took a loan to
cover payroll and
don't know how
else to express
the s



<  **Mendy Investors** ▾ ⋮

We took a loan to cover payroll and don't know how else to express the seriousness of our situation

3:53 PM

Trevor will give you a call we'll schedule lunch tomorrow

3:54 PM

Sounds good let's do lunch



<  Mendy Investors ▾



I understand
the seriousness
and we'll get you
money this week.

4:02 PM

The second
money comes in
it will go back out

4:05 PM

I will most likely
be able to get you
300k this week
yes



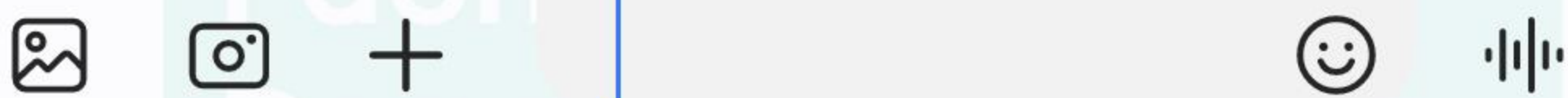
Let's hope as



< M Mendy Investors ▾ ⋮

Just so you're aware of our delima in its entirety...we have a 150k payroll due on Tuesday we have to cover NO MATTER WHAT !!! For performing files we haven't been paid on even though we're not working...we're 1000% fucked !!!!!!!

10:26 ▾



<  Mendy Investors ▾



Sunday, March 17

30k tomorrow then
prob 50k following
day

and then we'll start
paying in a lot per
day

12:25 PM

bare with me my
friend

12:26 PM

Thank you
just need that
reassurance



<  Mendy Investors ⌵ ⋮

up

1:58 PM

what's uso

i'm waiting on
dolly to finish the
review

1:59 PM

What fucken
review would stop
you from chipping
away at such a
huge balance. ?
Mendy we need to
get paid wtf



2:12 PM



<  Mendy Investors ▾



we need to have
clarity of what is
owed so we can
pay

2:13 PM

This is fucken
insane ...and
you know it !!!
Horrible business
practices...we
need some good
faith from \$ from
you asap

2:16 PM



When can we
coun



<  Mendy Investors ▾



**we can have a
conference call
and fix whatever
but you owe
the money and
bought the
performing files**

8:41 AM

**No one is arguing
on the current
balance I'm
Talking about the
issue with why
there is no money**

8:41 AM



<  **Mendy Investors** ▾ ⋮

Friday, March 15

You fucked us bad today !!!

1:57 PM

You're getting paid off all our investment into your company

1:58 PM

bro stop with the bull shit everything is delayed right now you'll get paid, everyone knows in this industry



<  Mendy Investors  

1:58 PM

bro stop with the
bull shit everything
is delayed right
now you'll get paid,
everyone knows
in this industry
this shit happens
everyone else
understands and
is patient

i didn't fuck
anyone

you will be paid

1:59 PM

